



Memorandum

Date: January 26, 1998

To: All CIGNA and Healthsource Eligible Participants

From: Benefit Plans Administration

Subject: Medical Plan Changes Effective January 1, 1998

Due to recent legislation, the changes outlined below went into effect January 1, 1998 for the CIGNA medical plan. For mental health changes to the Healthsource medical plan please see the 1998 Healthsource Health Plan Employee Handbook that was recently mailed to your home. If you have not received your 1998 Healthsource Health Plan Employee Handbook please contact Healthsource at 546-2529 option 6 or outside the Knoxville area 1-800-634-1454 option 6.

Mental Health Parity Act of 1996

The following limits replace the CIGNA lifetime and annual dollar limits for mental health and alcohol and drug abuse.

CIGNA Mental Health Changes

Inpatient

<u>In-Network</u>	<u>Out-of-Network</u>	<u>Indemnity</u>
100 days per lifetime*	100 days per lifetime*	60 days per lifetime

Outpatient

<u>In-Network</u>	<u>Out-of-Network</u>	<u>Indemnity</u>
Unlimited visits with authorization	Up to 8 visits no authorization Up to 35 visits authorization needed	30 visits per year

*In-Network and Out-of-Network Combined

CIGNA Alcohol and Drug Abuse Changes

Inpatient*

<u>In-Network</u>	<u>Out-of-Network</u>	<u>Indemnity</u>
100 days per lifetime**	100 days per lifetime**	60 days per lifetime

Outpatient

<u>In-Network</u>	<u>Out-of-Network</u>	<u>Indemnity</u>
Unlimited visits with authorization	Up to 8 visits no authorization Up to 35 visits authorization needed	30 visits per year

*Limited to 2 admissions per lifetime

**In-Network and Out-of-Network Combined

Newborns' and Mothers' Health Protection Act of 1996

Under federal law, CIGNA and Healthsource generally may not restrict benefits for any hospital length of stay in connection with childbirth for the mother or the newborn child to less than 48 hours following a normal vaginal delivery, or less than 96 hours following a caesarean section, or require that a provider obtain authorization from the Plan for prescribing a length of stay not in excess of the above periods.

CIGNA Urgent Care Facility Benefit Effective 1/1/98

An Urgent Care Benefit has been added to the CIGNA medical plan for the Oak Ridge/Knoxville network. For the Healthsource Urgent Care Benefit, please see the 1998 Healthsource Health Plan Employee Handbook that was recently mailed to your home.

<u>In-Network</u>	<u>Out-of-Network</u>	<u>Indemnity</u>
\$10 copayment with referral; \$40 copayment if no referral	Covered 70% of reasonable and customary after the deductible	100% if within plan guidelines

The following facilities are currently contracted with CIGNA to be In-Network.

Fort Sanders Non Emergency Department Clinic (423) 541-2794
Park Med Ambulatory Care, PC - Blount (423) 982-3409
Park Med Ambulatory Care, PC -Dandridge (423) 397-2897
Park Med Ambulatory Care, PC - Kingston Pike (423) 690-1801
Park Med Ambulatory Care, PC - Morristown (423) 585-4003
Park Med Ambulatory Care, PC - Oak Ridge (423) 483-4040

Health Insurance Portability and Accountability Act of 1996 (HIPAA)

Statements of Health no longer permitted

Due to the implementation of HIPAA, you can add eligible dependent(s) to the medical plan only within 30 days of the qualifying event or during an open enrollment period. A late entry into the CIGNA and Healthsource medical plans will no longer be permitted via a Statement of Health.

Proof of Prior Health Coverage

After your coverage terminates, a certificate of health insurance coverage will automatically be provided and mailed to your last known address within a reasonable period of time. If applicable, another certificate will be provided after the COBRA continuation coverage ends. In addition, you may request another certificate within 24 months after coverage terminates.

Identifying Insurers

CIGNA HealthCare
900 Cottage Grove Rd
Hartford, CT 06002

Healthsource
5409 Maryland Way
Suite 200
Brentwood, TN 37027

Benefits are guaranteed under a contract of insurance. Claims Administration is provided by CIGNA. Lockheed Martin Energy Systems, Inc. is the Plan Administrator.

Benefits are guaranteed under a contract of insurance. Claims Administration is provided by Healthsource. Lockheed Martin Energy Systems, Inc. is the Plan Administrator.

Financing is a Minimum Premium Arrangement. The Company pays a fixed amount per participant plus claims up to the agreed full premium. Claims payment in excess of the full premium amount is CIGNA's responsibility.

Financing is a Fully-Insured Arrangement. The Company pays the full premium each month to the carrier. Claims payment in excess of the full premium amount is Healthsource's responsibility.

Statement of ERISA Rights

If you have any questions about the statement of ERISA rights set forth in the Employee or Retiree Handbook or about your rights under ERISA, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.